

REPORT OF THE FINANCE COMMITTEE

JANUARY 6, 2016

A meeting of the Finance Committee was held on Wednesday, January 6, 2016, at 7:00 p.m. in the Aldermanic Chamber.

Mayor Donnalee Lozeau, Chair, presided.

Members of the Committee present: Alderman-at-Large Daniel T. Moriarty, Vice Chair
Alderman-at-Large David W. Deane
Alderman Ken Siegel
Alderman-at-Large Jim Donchess
Alderwoman Pamela T. Brown
Alderman Paul M. Chasse, Jr.

Also in Attendance: Mr. John L. Griffin, CFO

Mayor Lozeau

Before we begin tonight with public comment I would like to take a moment and call to your attention on your agenda item #3 and item #4; I just want to make a couple of corrections. Item# 3 where it references CDBG '15 and CDBG '16, it's only '15. On item #4 where it says Community Development Fund Grant Activity CDBG, '15 and '16, that shouldn't be there at all.

PUBLIC COMMENT

Mr. Fred Teeboom, 24 Cheyenne Drive

Mayor, since this is your last committee meeting I wanted to thank you for meeting the anti-panhandling ordinance.

Alderman Siegel

Point of order, that's not relevant to what is before this committee.

Mayor Lozeau

I understand. I generally allow a little bit of flexibility but it would be nice, Mr. Teeboom if you stuck to the matters at hand tonight. I appreciate your appreciation and you'll have another opportunity at the next Board of Aldermen meeting to share the information that you want.

Mr. Teeboom

But you won't be there.

Mayor Lozeau

No, I won't be there but I'll look up the minutes.

Mr. Teeboom

I'd like to now make my comments on the item that is tabled in committee which is on the agenda which is the generator for the Nashua Police Department. I had made comments about this before. I have commented about the fact that the original resolution was for \$440,000 and was unsupported and I don't think it was

justified. The resolution was approved nevertheless and the RFP went out and the IFP went out and I can only say that it was disastrous. The first attempt was recalled, the second attempt turned into four options. It was very confusing except for maybe the last one. The last one puts the generator outside of the building. Clearly it indicated that the Nashua Police Department really doesn't know how to purchase a generator. Now who in the city does I don't know but certainly the school department had no difficulty getting a generator put in for a reasonable price. I don't know why the police department is having so much trouble. They then came up with another entirely new IFP in September and at first I would be asking for a consultant to be brought on board. When I appeared before the Finance Committee last time they met on this subject I said where are the requirements documented that need consulting? NRO 5-77 says any purchases between \$1,000 and \$10,000 have to be defined and meet the requirements. As I started checking after the meeting and there was no requirements documented by the police department. What they did was had visits with consultants who toured around and they told the consultants to give them a bid. When you don't write down the requirements you are going to wind up with bids of all different types. In this particular type pays for the consultant to come in and raises it from \$5,800 to do whatever they thought they had to do all the way up to \$45,700. That's an incredible range for a relatively straightforward job. You take together outside of the building and hook them up to whatever equipment you have. I hope the mayor will enforce 5-77. That applies to any purchase between zero and \$10,000. It also states in the ordinances that the purchasing manager, who writes the check, should not write a check without a warrant. I spoke to Mr. Kooken about this at length. He sent me an email that said I was correct. In an email dated December 31, 2015. There are some issues with the consultant. The consultant wrote a 53-page spec. in detail. Then he wrote very detailed notes about construction. The bidder that bid this job, based on what the city required based on the consultant, added to the proposed contract, Attachment B. I don't know if you have Attachment B because when I looked at the city website I couldn't find Attachment B. Attachment B contains written details from July. You can't write a contract without Attachment B. I asked Mr. Kooken for a copy, and he sent it to me. I should also mention that because I have been critical of this generator purchase since May when it started, you, yourselves, generated a subsequent meeting. The meeting was attended by Captain Paulson, representatives from the consultant, the Emergency Management Director, Justin Kates, myself and Alderman Siegel, to try to get some of the details. My first question was where are the details of the cost proposal that you delegated, whatever, as being prepared by the contractor. There was none. It's just a lump sum. The other question at the time I said how is the size of the generator at 500 kilowatts? As it turns out the people over at the police department is about 376 kilowatts. That's a very big load measured over about two years of time. You need a 500 kilowatt generator. Well, you certainly need a 400 kilowatt generator. You could do with a 400 kilowatt generator. As I was checking up on these prices I found there's a difference between a 400 kilowatt diesel generator and a 500 kilowatt diesel generator is very small so you might as well go with the 500 kilowatt generator. We only found this out after Justin Kates submitted the measurements from PSNH. The other problem I have goes back to the specification and it's if the city says on the specification I guess they would expect it to be adhered to. If you look at attachment B which is attached to the contract which you may or may not have in your package, it says quite clearly that the supplier only intends to meet the intent and he doesn't intend to meet the specifications. It says ASNE does not guarantee compliance with every government code. We'll just do the best we can and that makes sense because what you are buying is an off-the-shelf system. You are buying a generator of which many are sold all around the world. Gererex is the supplier and is a very well-known supplier and it says in attachment B on page 8, ASNE will review the compliance and the codes upon request. Who is ASNE? ASNE is not the bidder and ASNE is not the consultant so who is ASNE? It turns out that ASNE is the supplier of the generator. In Boston, MA they supply Generex generators throughout New England. Why is there a 53-page spec? Why pay a consultant \$9,000 to do a spec that no one is going to use? I have a problem with that. I have a problem with the fact that option 4 which is the earlier bid goes back to May since applying, ASNE, the same generic generator except the fibrous component built-up generator, it went for \$293,000 and now it goes to \$392,000; why is there an extra hundred dollars? That's not very clear at all. The consultants submitted some information, I'm talking to the \$293,000 but they didn't baseline it back to figuring out where the \$293,000 came from. There's a \$100,000 in question here. So, what I did because I'm pretty familiar with this technology, I contacted some dealers on my own and I came up with my own estimate on what I think this job will cost. I'll make this available to all of the members' on the committee. If you look at this you'll see that there are actual quotes. I actually received quotes. I don't get special discounts and I'm not sure the City of Nashua does. You can see here that the generator itself would be dropped shipped to right

here in Nashua and the whole job would be for \$112,000 and that's a quote. It's a diesel generator. It's natural gas and it's not \$60,000 more. Then I go to a local supplier, I'm not going to mention their name because I don't want to embarrass anybody but I called a big local supplier who hooks up these generators every week of the year, they are very familiar with back-up generators. The first question was why did you get a (inaudible) generator and I said nah, generic is fine, it's good enough. They gave me a quote of \$25,000 to hook it up and \$24,000 for the labor based on ten days with four people. There is some additional wiring required but I don't know what it is but the consultants know and it adds \$22,000 on with no detail. The concrete pad has to be 48"; you don't need a 4' deep pad for that kind of thing.

Alderman Deane

What would you use?

Mr. Teeboom

2'. Anyway, if you take a 4' pad it's \$5,000 and demolition is \$10,000. A temporary generator would be there for four weeks. You bring it in on a trailer open it up and you take it back. The service contract is \$16,000 and a year to five years is \$8,000. There are no drawings but I assume you want CAD drawings even though it's not specified anywhere. Anyway you add all that together put the 10% contingency for the unknown, 10% for project management is pretty standard and I put in 10% of the profit and the bond; it's pretty good. I came up with \$89,000. If someone gave me this I'd sign it right now because I'd make a nice profit which would be anywhere from \$22,000 to \$44,000. My conclusion is a generic generator is fine but you need to get a detailed cost before you start this. You are getting a federal grant and they require specific details to regulate federal regulations. When you buy equipment they want written specs. Finally, the police department knows a lot about buying ammunition and buying guns and all that stuff but the departments ought to buy the things they know what they should buy. Generators are not something they should buy. The school department knows how to buy them but not the police department. My conclusion is that you should hold this until you get the final detailed cost breakout.

COMMUNICATIONS

From: Mayor Donnalee Lozeau

Re: Emergency Change Order #12 to Continental Paving Contract

MOTION BY ALDERMAN SIEGEL TO ACCEPT AND PLACE ON FILE MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Purchase of Nashua Police Department Bulletproof Vests (Value: \$18,850)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AUTHORIZE THE PURCHASE FROM ATLANTIC TACTICAL IN THE AMOUNT OF \$18,850. SOURCE OF FUNDING IS DEPARTMENT 150, POLICE; 50% FROM 2014 BULLETPROOF VEST PARTNERSHIP GRANT AND 50% FROM NPD PROTECTIVE CLOTHING; 61, SUPPLIES & MATERIALS MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Contract Award for Repairs of Tennis Courts at Sargent's Ave (Value: \$15,750)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO EAST COAST SEAL COATING IN THE AMOUNT OF \$15,750. FUNDS ARE AVAILABLE IN DEPARTMENT 184, URBAN PROGRAMS, CDBG FY15 (\$15,000) AND DEPARTMENT 177, PARKS & RECREATION; TRUST FUND (\$750)

ON THE QUESTION

Alderman Chasse

When will this be done?

Mayor Lozeau

In May and it will take about five days to do both of them, the two tennis courts; this and the one at Greeley Park.

MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Contract Award for Repairs of Tennis Courts at Greeley Park (Value: \$14,450)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO EAST COAST SEAL COATING IN THE AMOUNT OF \$14,450. SOURCE OF FUNDING IS DEPARTMENT 177, PARKS AND RECREATION; TRUST JACKMAN FUND
MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Purchase of One (1) Roll Off Truck (Value: \$117,400)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO LIBERTY INTERNATIONAL TRUCKS IN THE AMOUNT OF \$117,400. FUNDS ARE AVAILABLE IN DEPARTMENT 168, SOLID WASTE; CERF
MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Waukesha Generator Maintenance (Value: Not To Exceed \$20,000)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO HIGHLAND POWER IN AN AMOUNT NOT-TO-EXCEED \$20,000. SOURCE OF FUNDING IS DEPARTMENT 169, WASTEWATER; PROPERTY SERVICES
MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – None

TABLED IN COMMITTEE

MOTION BY ALDERMAN SIEGEL TO TAKE FROM THE TABLE THE COMMUNICATION REGARDING THE PURCHASE OF A GENERATOR AT THE NASHUA POLICE DEPARTMENT AND EMERGENCY OPERATIONS CENTER
MOTION CARRIED

From: Dan Kookan, Purchasing Manager

Re: Purchase Generator at Nashua Police Department and Emergency Operations Center (Value: \$392,817); Department: Nashua Police Department; Fund: Prior Year Escrow \$270,500 and Homeland Security (EMPG) Grant \$122,317

- 12/2/15

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO ELECTRONIC ENVIRONMENTS CORPORATION IN THE AMOUNT OF \$392,817. SOURCE OF FUNDING IS THE NASHUA POLICE DEPARTMENT; PRIOR YEAR ESCROW (\$270,500) AND HOMELAND SECURITY (EMPG) GRANT (\$122,317)

ON THE QUESTION

Alderman Siegel

I want to clarify a whole lot of things about this purchase. Mr. Teeboom made a variety of statements. I was at the meeting and I've researched the contract itself. There have been some misstatements shall we say. The information regarding the additional cost has been provided to all of the members of the Finance Committee and it was provided at that meeting to Mr. Teeboom and myself. We discussed it at length. Mr. Teeboom at that time indicated that he understood the additional \$100,000 and where it came from and the additional cost from 400 kilowatts to 500 kilowatts was outlined explicitly at that meeting. He didn't come up with it on his own in some revelation. It was \$11,000 in additional costs for a 100 kilowatt difference. I've seen Mr. Teeboom's documents which is the same thing that he has handed to us this evening. I believe that was sent via e-mail to each member of the committee also. This omits significant portions of the contract that we have before us including an entire secondary transfer switch and all of the associated work that is done with that. I reviewed that contract and had some significant questions last time and Mayor Lozeau was kind enough to arrange for a meeting that I attended with police staff, Justin Kates, the consultant that did the work and Mr. Teeboom was invited and attended. The specific question that I had at the time with the additional cost was how was the additional spec arrived at, why did we go from 400 kilowatts to 500 kilowatts and what was the thinking behind that and where were the costs that came out of that. The actual process by which this happened I will explain forthwith so there is clarification both for the Finance Committee and the public record. The generator was initially specked at 400 kilowatts because that was what was there and the police department not only never tried to be an expert at specking generators, they explicitly acknowledged they were not experts which is why we had a consultant do that work which was clearly an intelligent thing to do. The 400 kilowatts was based on what was there. The consultant did a 22-month measurement. They got the records from PSNH and the peak power consumption was up above 350 kilowatts and by code you need to have 25% head room above whatever your measured peak is so right then and there we are above 400 kilowatts just to meet code requirements. This is even without any allowance for growth in the police department facility. The next step up in generators is 500 kilowatts and that was \$11,000 for that infrastructure and the associated additional costs were the switching infrastructure to handle that because clearly there is more energy being transferred and that's an important consideration. At the time of the meeting we went through these costs and Mr. Teeboom expressed that he understood where those costs came from and why and that wasn't an issue and he even specifically said that. Unfortunately, I believe that Mr. Teeboom has been excellent at providing data but it would be nice if he were as good at inputting data. That information was available to us and it was given to my satisfaction. The other issue that I brought up was the lack of clarification about what would happen with the transfer switch. There is an electrical characteristic about the switches flopping around and the consultant was there and explained exactly how that was derived. It was my understanding that it was based on a misread of the way the spec was written. It turns out that it's not going to flop around every 2 seconds, its 8 ½ seconds which is well within spec. The other question I had was about the power level dropping below 90% and potentially causing an issue with the motors; 85% is the industry standard and that's where we are at and should we want additional protection on the motors then we have the option to do that, if we believe that it will be an issue. I felt that reading this contract and looking at the specification and all the costs are specified, we have documents in front of us; this document that you have been made aware of that's available which outlines every single thing that we are purchasing and as an electrical engineer I can tell you that the consultant was very helpful and I must say he was helpful despite Mr. Teeboom's incessant badgering which I thought was unfair. I will say that I would recommend that we do purchase this as it has been thoroughly vetted and all questions at least that I had have been answered. I believe this is a wise purchase and a necessary purchase for our police department.

Alderman Donchess

Alderman Siegel, thank you for going to the meeting and getting so deeply involved in this. You said the consultant provided a reason for the additional regarding the extra \$100,000. Can you paraphrase or briefly explain that difference for us?

Alderman Siegel

There's \$11,000 attributed to the generator itself and the rest of it was the upgraded infrastructure required to carry the additional power load and it's a requirement. None of it was optional, there was no fluff in there and every item was specified as necessary. We have to be code compliant so there were no options with a lot of this stuff. Once you go up you have to be within spec.

Alderwoman Brown

I will be voting in favor of this and I would like to thank Mr. Teeboom for his research and also Alderman Siegel. It's obviously a very complex issue and I'm glad that we have individuals that delve into these issues.

MOTION CARRIED**MOTION BY ALDERMAN SIEGEL TO TAKE FROM THE TABLE THE COMMUNICATION REGARDING THE PURCHASE OF AVL MONITORING SERVICES AND EQUIPMENT
MOTION CARRIED**

From: Dan Kookan, Purchasing Manager

Re: Purchase of AVL Monitoring Services and Equipment (Value: \$57,070); Department: 160, Admin/Engineering; Fund: Prior Year Escrows; Account Classification: Other Purchased Services

- Tabled 12/16/15

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO MOTION LINK IN THE AMOUNT OF \$57,070. SOURCE OF FUNDING IS DEPARTMENT 160, ADMINISTRATION/ENGINEERING; PRIOR YEAR ESCROWS; OTHER PURCHASED SERVICESON THE QUESTIONAlderman Deane

I've thought long and hard about this and I think that, I mean from my involvement on the Board of Public Works this would be a reoccurring cost and I think we ought to try this and partially outfit a division with the equipment within the different departments that are involved with winter operations and not quite load up solid waste or the rest of whatever park department equipment is utilized for snow removal and/or vehicles of waste water or engineering for that matter. I would support the street department equipment as well; any equipment that is utilized during snow removal. I suggest we try it first and see how it works out and if it does work out then go for the rest of it.

Mayor Lozeau

I also wanted to let you know, Alderman Deane, at the last meeting when we discussed this you asked about other communities that might be using this and we did look into that for New Hampshire communities. I sent you all letters from communities that have been using it as I had also sent to the Board of Public Works. Merrimack, Concord and Manchester all use AVL.

MOTION BY ALDERMAN DEANE TO AMEND TO REFLECT THAT THE AVL MONITORING SERVICES AND EQUIPMENT WOULD BE PURCHASED AND UTILIZED IN THE EQUIPMENT IN THE PUBLIC WORKS DIVISION ONLY INVOLVED IN WINTER SNOW REMOVAL OPERATIONS

Mayor Lozeau

I appreciate you moving on this and recognizing that it might be worth taking a look at. I think that the superintendents over the last couple of years as we've looked at this and other communities using it, I think all of them have made a credible argument for all of their divisions to be able to manage their vehicles whether it's soft yard waste pick-up or all of those different things. I think it's important and I support this as is but whatever the pleasure of the committee is. I just think if we have an opportunity to affordably have tools on our hands to let us know what happens and to allow the superintendents to manage their departments and equipment, I think we should take it. In some instances it would be very helpful, particularly in snow operations as Alderman Deane has mentioned. When people call and say we haven't seen a plow it would be nice to be able to take a look and say well the plow came at such and such a time. When things happen to be able to look up and know where the vehicles are at any given time makes a lot of sense to me. I appreciate that they were able to get the price down to the \$57,000. The reoccurring cost is about \$30,000 per year in monitoring. We use this with our buses and it has proved to be very helpful.

Alderman Chasse

Mayor-elect Donchess, what are your feelings on this? Would you rather see this just for the snow plowing now and maybe expand later on?

Alderman Donchess

I've not had the opportunity to discuss this in any detail with Ms. Fauteux or anyone. I think Alderman Deane's suggestion is good. Mayor Lozeau makes the point that this can certainly improve operations and that's probably the case but on the other hand it is a significant annual cost. I like Alderman Deane often go by the approach of taking it step-by-step. If you are asking me then I would recommend that we follow Alderman Deane's suggestion.

Alderman Chasse

I think it's a great thing and I think maybe Alderman Deane's suggestion is a good one.

Alderman Siegel

As a point of order are we voting then on the amendment proposed by Alderman Deane?

Mayor Lozeau

The amendment comes first.

Alderwoman Brown

I also believe that the amendment is not necessary and I won't be supporting that but I will support the actual item.

Alderman Siegel

I think Alderman Deane's suggestion makes a lot of sense. The snow plowing is clearly where we have an antiquated technology approach and it's also the most unpredictable thing that we do whereas the trash routes and things like that are generally more predictable and we probably get less complaints about that. I think the go slow approach makes a lot of sense. I also think the fact that our incoming Mayor thinks that as well carries a lot of weight.

MOTION CARRIED

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT AS AMENDED TO MOTION LINK IN THE AMOUNT OF NOT-TO-EXCEED \$57,070. SOURCE OF FUNDING IS DEPARTMENT 160, ADMINISTRATION/ENGINEERING; PRIOR YEAR ESCROWS; OTHER PURCHASED SERVICES

Alderman Deane

Is it possible to get a vehicle count?

Mayor Lozeau

It was in there for 130 so we can take a look at which vehicles would come out of that from snow operations. I will make sure that I ask the director to do that.

MOTION CARRIED

**MOTION BY ALDERMAN SIEGEL TO TAKE FROM THE TABLE THE COMMUNICATION REGARDING THE CONTRACT AWARD FOR LED STREET LIGHTING
MOTION CARRIED**

From: Dan Kookan, Purchasing Manager

Re: Contract Award for LED Street Lighting Project Requested by Community Development
(Value: \$2,000,000); Department: 181 Community Development; Fund: Bond

- Tabled 12/16/15

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND, CONTINGENT UPON BOARD OF PUBLIC WORKS AND BOARD OF ALDERMEN APPROVAL, AWARD THE CONTRACT TO PHILLIPS IN THE AMOUNT OF \$2,000,000. SOURCE OF FUNDING IS DEPARTMENT 181, COMMUNITY DEVELOPMENT, BOND FUNDING

ON THE QUESTION

Alderman Moriarty

Is it possible to make these LED upgrades as the bulbs fail?

Mayor Lozeau

No it's not because to get the economy of scale that we want to cover the cost as they are associated here, to get the benefit as quickly as we'd like the proposal is to come in and replace them all. What we have now is not as energy efficient as we could have. As you may recall, the money that we are going to save is going to pay the bond and the electrical costs. We will actually spend less than we do currently which is about \$870,000 per year. If they come in and get this done in April you will be able to see that benefit in the fiscal '17 budget and I think that's important. Nowhere in all the work that we've done since 2012 did they say you can change them out one at a time. There's also a safety factor. If you have some areas that have the halogen ones and the LED ones it's going to create a different lighting pattern for people that are driving and that's not safe. We've had a long discussion about the 3,000 versus 4,000 which we may or may not get into. I understand changing them as they fail on a practical level seems to make sense but we'd be maintaining a certain price with PSNH with the maintenance of all of the lights at the same time we are trying to change them out so I think it would be very cost prohibitive.

Alderman Deane

I mentioned my concerns. We have ordinances in place and I don't think we should be sole sourcing this stuff out, I don't think it's appropriate. I think it should go out to bid. I received an e-mail today from a gentleman

named Steve Gigkin; he's the head of sales for Siemens Intelligent Traffic Systems. He said "my division is responsible for street light LED retrofitted implementation across the United States. I wanted to provide you with clarification regarding the Manchester, New Hampshire street light retrofit project. Siemens not Phillips was the awarded that contract. Siemens completed the work and met all of the financial obligations of that project. There were some final negotiations which happened between the parties and the City of Manchester received significant price concessions on this project right before approval by their Board of Aldermen. I'm not sure that any pricing that the City of Nashua might have seen from Manchester is the best and final. I would be happy to have my local team meet with you or anyone from the city to discuss our pricing and capabilities. I am confident that we can provide the best pricing and references and we have the most experience in the New England area." If the city would like to install Phillips fixtures Siemens would be happy to provide a full turnkey solution using Phillips products. Siemens has and continues to install fixtures from multiple manufacturers. We recommend the fixtures that best suit each installation requirement. I would highly recommend a competitive bid process based on the price and experience. Pricing for LED fixtures have continued to fall over time and a competitive bid process would ultimately offer the city the best overall solution including the best price possible." I thought what we were told was that Phillips was awarded the contract up in Manchester.

Mayor Lozeau

What you were told was that Phillips was the lowest bid. They were the recommended bidder but the Board of Aldermen did not accept the Phillips but they were still a lower bid than Siemens was. Frankly Siemens did our CMAQ Project and I was less than satisfied with the work that was performed there. We are not sole sourcing to Phillips. They have consistently been the low bidder on prices. They were part of an energy consortium and they are part of the U.S. Conference of Mayors and there's a partnership there. We worked off of other communities and states bids which made perfect sense.

Alderman Deane

Did this go out to bid; did you put an RFP out?

Mayor Lozeau

No we didn't, we worked off of other bids that were out there and that's absolutely legitimate and you that. Whatever the will of the committee is. At the last meeting you raised the concern and I asked the committee if they shared that concern because I didn't want to move forward with talking to Phillips about the testing and some of those other things. The committee agreed to move forward and I talked to Phillips and we have something here about the testing. They have worked with us in good faith for years trying to bring something to the table and I think that makes sense. I have read the minutes from the Board of Aldermen meetings in Manchester and I understand what happened there and it doesn't concern me. If it concerns the committee and you choose to go out to bid you are certainly welcome to do that.

Alderman Deane

Thank you.

Alderman Donchess

First of all I think the idea of doing this project is great and we will ultimately save a lot of money so I appreciate your getting so involved with this. What happened was this. I think I misunderstood what you had said. It was my understanding; because when you said Phillips was the low bidder I think I inferred from that that they got the contract. I was thinking that Manchester went with Phillips. I do have this acquaintance on the Manchester Board of Aldermen whose name is Dan O'Neil and he contacted me about well let's get together to talk about Nashua and Manchester and rail and heroin and all those other things. I said yes and I've known him for a long time and in the course of e-mailing I just mentioned the lights thinking he was going to endorse Phillips but he said that he knows this issue with much detail and he's a strong advocate for Siemens. He said the prices

were very close and he liked Siemens because they do their own work and they don't subcontract. Some of it had to do with the fact that some of the employees who would be doing the work for Siemens were from Manchester. He suggested that we should negotiate with both parties to see whether we get price concessions. Mayor Lozeau, what is your response to what he had to say?

Mayor Lozeau

I guess that I would say that I have confidence in Phillips and what they have offered. We started looking at this when the Energy Consortium was put together under the Aero funds and Phillips was a player in that. I think their product is a superior product and I like the idea of not having a middle man. I like the warranty and other things that Phillips was able to give us. We had an in-house team that worked on this and that team changed over the last few years because staff had come and go but everybody still collectively thought Phillips was solid. I understand in Manchester that Siemens has employees there and they took a bit of a different approach but again, one of my other concerns with Siemens was the way the CMAQ Project went. I think that we've got a good proposal here and I think it's a competitive bid and it was the lowest bid in Manchester. It's been the lowest bid in other states and I think if you go out to bid they will still be the lowest bid. I have confidence in the work product that we've done. If somebody wants to go out to bid and start all over I have no objection, that's fine.

Alderman Donchess

When you say no middle man, what do you mean by that? Number two, I observed some problems with the CMAQ Project as well but it was never really that concrete. What were the problems?

Mayor Lozeau

On a high level it was the timing of the work, being where we needed them to get work done, the fact that the project took significantly longer than it had been bid for. We had things that had to be replaced and changed out. When I look at Phillips I think here's someone who has manufactured a product that we are purchasing and they are going to have the oversight of it being installed. I think that makes a difference.

Alderman Donchess

Does Siemens not manufacture the bulb?

Mayor Lozeau

I don't know, I can't recall what products Siemens installed in Manchester but I know that in Franklin, Phillips was installed as the product of choice. I just thought that we would benefit from the manufacturer of the product who is well regarded in the industry for this to be the one that's overseeing our project in Nashua. I think they have more skin in the game.

Alderman Siegel

First of all I thank the staff because I certainly believe that people have been doing a lot of due diligence but I am a little concerned. We do have some information here that is at least worth considering. Clearly the project is worth doing. One thing that struck me about what Alderman Deane read was the statement about them being willing to use whatever particular lighting fixture that we choose. They have said explicitly that is not an issue for them and if we want to use Phillips products we can. My recollection on the CMAQ issues as communicated to us at the time was that we had obsolete controllers and they couldn't be sourced and that became the item that cascaded the project to "Never Never Land" effectively but again, that's my limited understanding. I certainly wouldn't challenge my understanding versus your understanding. I don't know that that particular project always translates into this one. It might and I'm not saying no to Phillips but I hear new

information that we didn't have last time. Could we possibly keep this where it is for now and do a little bit more homework on it?

**MOTION BY ALDERMAN CHASSE TO TABLE
MOTION CARRIED**

Alderman Moriarty

The Broad Street Parkway intersection of Elm Street and Central Street has been ruined. Now you have these two traffic lights and its perpetual gridlock. That poor market there is going to go out of business.

Mayor Lozeau

It's not going to go out of business because we've got parking spaces that are going to be there.

RECORD OF EXPENDITURES

**MOTION BY ALDERMAN SIEGEL THAT THE FINANCE COMMITTEE HAS COMPLIED WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES FOR THE PERIOD NOVEMBER 28, 2015 THROUGH DECEMBER 10, 2015
MOTION CARRIED**

PUBLIC COMMENT

Mr. Fred Teeboom, 24 Cheyenne Drive

I take exception to when Alderman Siegel, completely here say, when I made my comments all I said was Mr. Siegel was at the meeting. I didn't say he walked out in the middle of the meeting. I didn't say I have a vote and you don't. I didn't come up with nonsense about torque or other technical nonsense that Alderman Siegel came up with. It's my opinion that Alderman Siegel doesn't know what he is talking about most of the time but I didn't say that because it's public comment. When he said I badgered someone at that meeting you should have immediately stopped him from saying that.

Mayor Lozeau

I did.

Mr. Teeboom

Yet he kept saying Mr. Teeboom this and Mr. Teeboom that. I resent it and I think Alderman Siegel pretends to know a lot of things but really doesn't when you get into the details. If you want to waste \$100,000 then that's your prerogative. If you want to bypass NRO 577 then that's your prerogative. Here say should not be acceptable.

Mayor Lozeau

Well I didn't think it was acceptable to say unkind things about people when you can resist and so when Alderman Siegel said badgered I said "uh, uh, uh" and I think he caught himself. Alderman Siegel, I am sure you want to respond but I would ask you to think carefully about the response.

Alderman Siegel

What I said was not here say, what I said was based on being at a meeting. It is absolutely true that I said that I vote and Mr. Teeboom does not. I said that to the staff so that they understood that the reason why the meeting was being held was because there were questions at the Finance Committee that needed to be

answered and not that there were questions that Mr. Teeboom needed to be answered. I made it clear to the committee that I appreciated their work and that I did leave in the middle of the meeting because my questions were answered. I felt that based on the tenure of the discussion at the time that nothing further could be gained other than I would be aggravated and might end up saying something I would regret and it felt better to just walk out of the room.

Mayor Lozeau

I had scheduled the meeting because I thought you had legitimate questions and that it would be best to have you be able to directly ask those questions. I invited Mr. Teeboom to the meeting because I also respect his opinion. I had hoped that both of you would have come out with a better understanding and on board. I understand that didn't happen but I thank both of you for bothering to take the time to participate and meet with the consultant to get the questions answered.

Alderman Siegel

Mayor Lozeau, since it's your last meeting I just want to say thank you. It was good working with you.

POSSIBLE NON-PUBLIC SESSION

ADJOURNMENT

**MOTION BY ALDERMAN CHASSE TO ADJOURN
MOTION CARRIED**

The Finance Committee meeting was adjourned at 8:00 p.m.

Alderman Ken Siegel
Committee Clerk